



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

0003

October 6, 2009

Certified Return Receipt
7003 2260 0002 0247 8645

Key Bank National Association
Standby Letter of Credit Services
Mail Code: OH-01-51-0435
Cleveland, Ohio 44144-2338

Subject: Non-Renewal of Letter of Credit # Star Stone Quarries, Lion Heart Quarry.
S/003/0033, Box Elder County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated October 1, 2009, regarding non-renewal of Letter of Credit _____ in the amount of \$18,600.00. The mine operator, Star Stone Quarries, is being advised that a replacement surety must be provided by December 12, 2009. If a replacement surety is not provided by that date, the Division will immediately submit to you its sight draft for the full face value of the letter of credit. The Division anticipates that payment of \$18,600.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety for the BLM and itself to be used for reclamation of the Lion Heart quarry pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

We are anticipating that the operator will not fulfill this bonding requirement and the Division will have to move forward with the presentation of the sight draft. Please advise if you have any questions and let me know in writing if this procedure is not acceptable.

Thank you. If you have any questions, please feel free to call me at (801) 538-5261.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure Letter dated October 1, 2009, and Sight Draft

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KEYBANK NATIONAL ASSOCIATION
STANDBY LETTER OF CREDIT SERVICES
MAIL CODE: OH-01-51-0435
4910 TIEDEMAN ROAD
CLEVELAND, OHIO 44144-2338
TEL NO: 216-813-3696, -3698, -3702, -3714 or -3715
FAX NO: 216-813-3719

October 1, 2009

Utah Division of Oil, Gas and Mining (DOGM)
1594 West North Temple, Ste 1210
Box 145801
Salt Lake City, UT 84114-5801

For itself and as agent for:
The Bureau of Land Management (BLM)
UTAH STATE OFFICE
440 West 200 South Suite 500
Salt Lake City, Utah 84101

**** NOTICE OF NON-RENEWAL ****

Re: Our Standby Letter of Credit No. Dated January 11, 2007
Account Party: Star Stone Quarries, Inc.

The above-referenced Letter of Credit was issued with the condition that it be automatically extended without amendment from the present or any future expiration date unless we notify you in accordance with the Letter of Credit terms.

We hereby notify you that we elect not to extend this Letter of Credit for any additional period and therefore, this credit will expire in full with our close of business on January 11, 2010.



Authorized Signature

CC: Star Stone Quarries Inc.
4040 South 300 West
Salt Lake City, UT 84107

RECEIVED
OCT 05 2009
DIV. OF OIL, GAS & MINING

EXHIBIT A - SIGHT DRAFT
to
Letter of Credit Number _____

Date	City, County	Letter of Credit No.

PAY TO THE ORDER OF: Utah Division of Oil, Gas and Mining,
_____ DOLLARS

TO: (Name of Bank or Bank)
and
(Address)

Utah Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

By: _____
Authorized Signature